

**ITU APT PITA Sub Regional Workshop**  
**30 Nov 2018**  
**Apia, Samoa**

# **Financial Inclusiveness using Digital Services & Solutions**



# Current status of financial inclusion in Samoa...

- **39% of Samoan adults have bank accounts**, and another 12% use other formal financial services,
- **21% of Samoan adults** used to have bank accounts but no longer do, and half of these are now excluded entirely from financial services. The majority of these (83%) adults are in rural Samoa,
- **80% of unbanked Samoans** responded that they do not have a bank account due to a lack of money
- Distance to the nearest bank branch is 5.5 km in rural areas compared to 1 km in urban Samoa
- **56% of respondents** reported receiving money from relatives or acquaintances
- 21% of Samoan adults have some type of insurance policy
- While 71% of Samoan adults own a mobile phone, only 3.7% of mobile phone owners have a mobile money account
- 70% of young adults are completely excluded from financial services
- A greater proportion of both international (92%) and domestic (88%) remittances are received through a remittance service



# Next mile financial services...

- Additional 40k adults with improved access to some form of Financial Services (Mobile Money)
- Target customers are mainly from Rural areas
- Increase the usage of financial products by at least 10% activity rate for digital financial services
- Improve the quality of services by promoting a wide variety of suitable and affordable services
- Financial education to all children including differently abled and improve financial literacy.

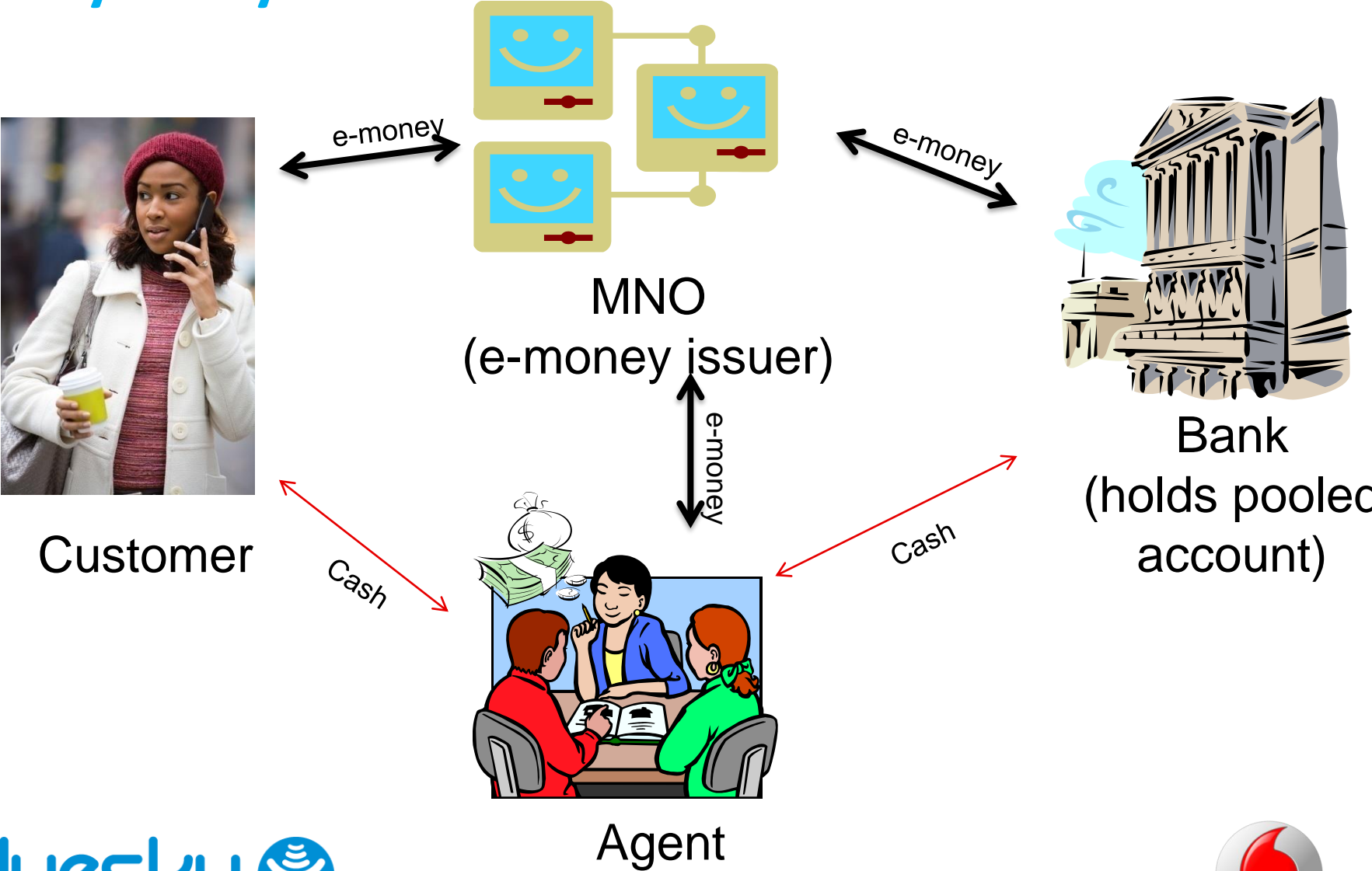


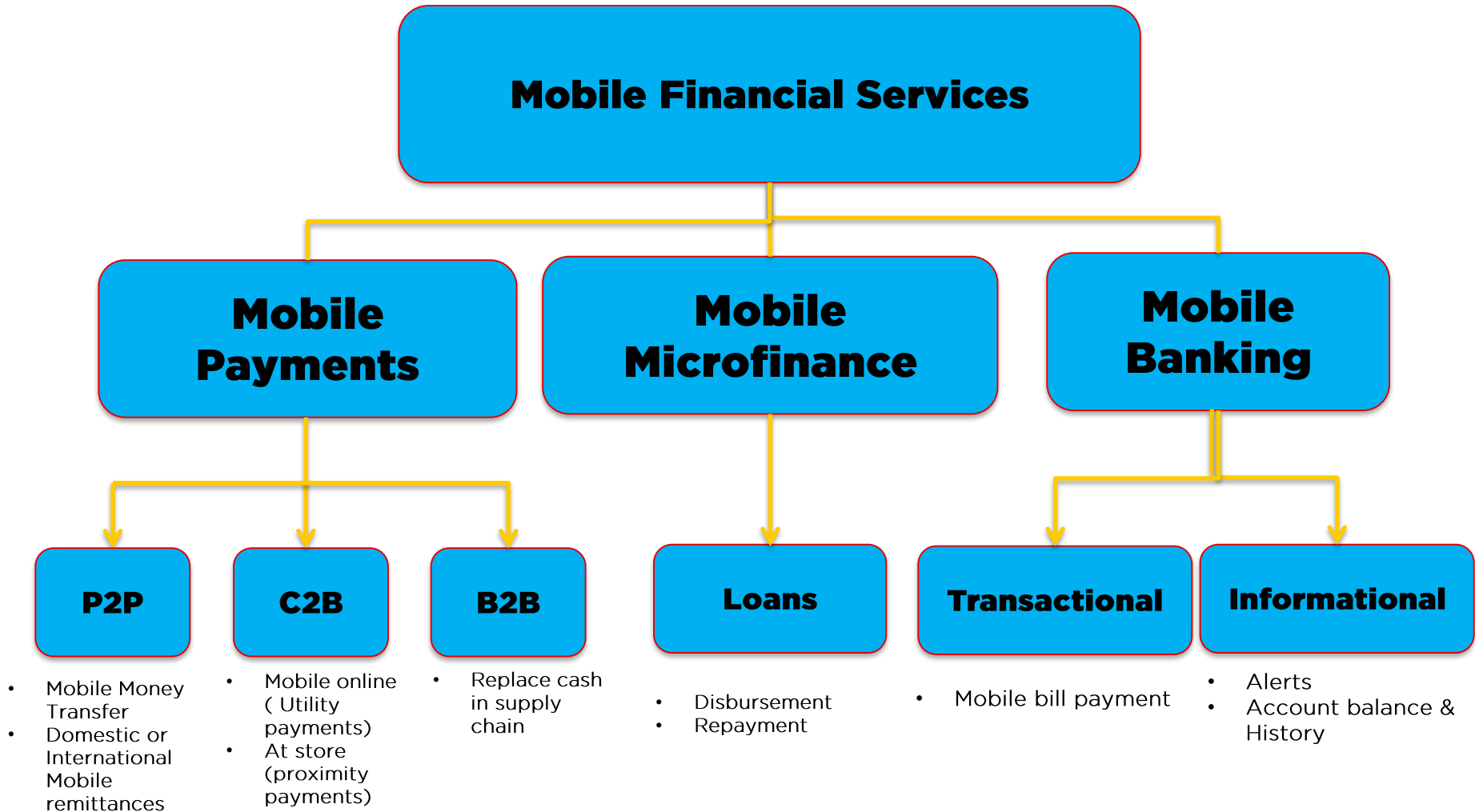
# Introduction of Mobile Money (M-Tala)

- Regional Partnership between VF and Bluesky
- Utilising the Regional Cloud with Samoa's own instance (copy) of the VF's M-Paisa Mobile Money platform
- Whiteware with localized branding called M-Tala
- Starting with mobile initiated person-to-person money transfer service. With future phases involving C2B and B2C payments



# How does Mobile Money work – E-Money Ecosystem?





# Features - Domestic Controls



Risk	Mitigation
KYC	<ul style="list-style-type: none"><li>• KYC of Wallet Account Holder, Distributors, Billers</li><li>• External Audit at regular intervals on KYC process</li></ul>
CDD (Cx Due Diligence)	Screen the mobile wallet account holder against global and local sanction list
System Compliance	<ul style="list-style-type: none"><li>• Get application to adhere to Minimum Control standards</li><li>• Min standard based on local and International Regulations</li></ul>



# Features - Cross Border Controls



Risk	Mitigation
AML / CTF	<ul style="list-style-type: none"><li>• Limit on Total Balances in m-wallet account</li><li>• Velocity check - # of Txn daily, monthly</li><li>• Post Transaction Analysis – AML patterns</li><li>• Daily Limit</li></ul>
FX Risk	Provide FX rate held for a shorter time duration
Trade	<ul style="list-style-type: none"><li>• Screen both sender and receiver during registration</li></ul>



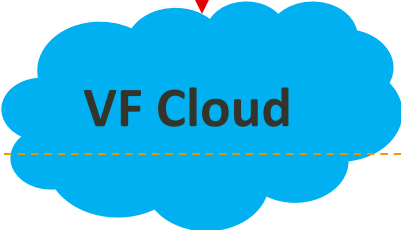


# M-Tala Architecture

**Hosted solution with full access in Samoa**



Mobile money platform



## Benefits of Top-up Pacific

- ✧ Top-up Pacific enables customers living in New Zealand to top-up families and friends, that are Bluesky customers living in Samoa and the Pacific, using the NZ Reseller POS machine.
- ✧ Initially, top-up will be enabled to Bluesky Samoa and thereafter expanded to Cook Islands, American Samoa and ATH groups.

# How it works



Purchase Top-up Pacific Voucher



- \$10
- \$20
- \$30
- \$40
- \$50
- \$75
- \$100

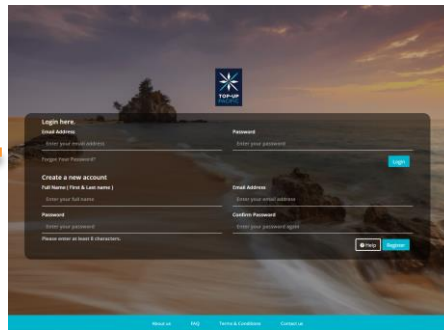
NZ EFTPOS Providers Network



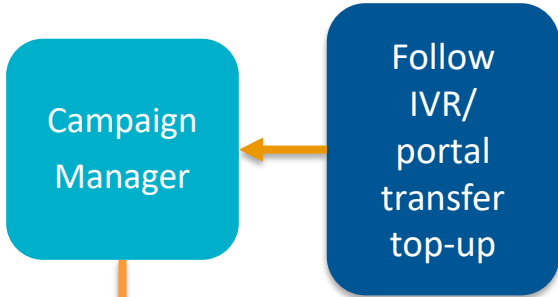
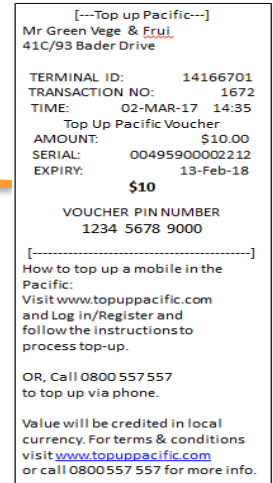
Call our (IVR) FREE on 0800 557 557



[www.topuppacific.com](http://www.topuppacific.com)

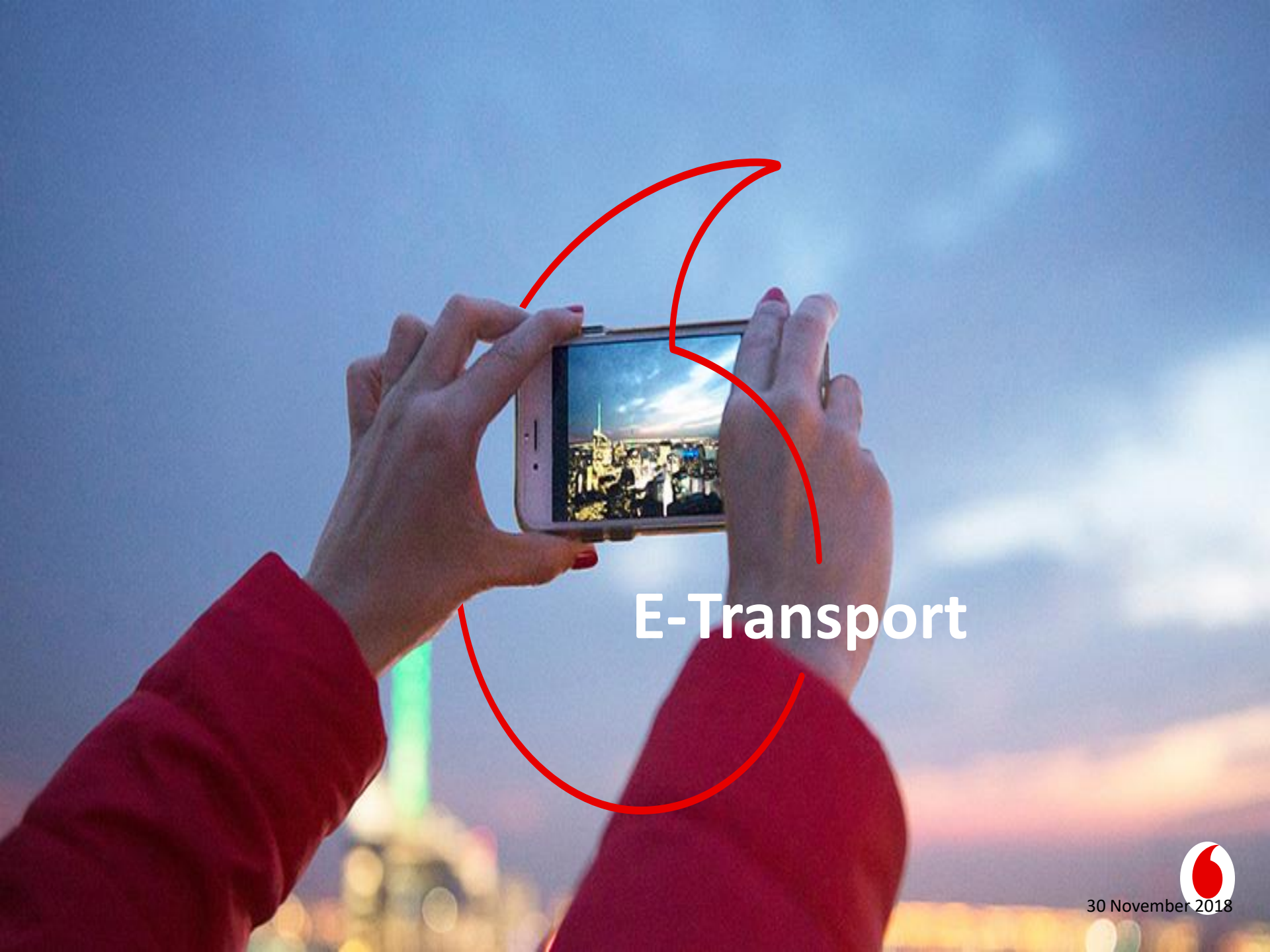


Redeem Voucher



Bonus and Credit Received





# E-Transport

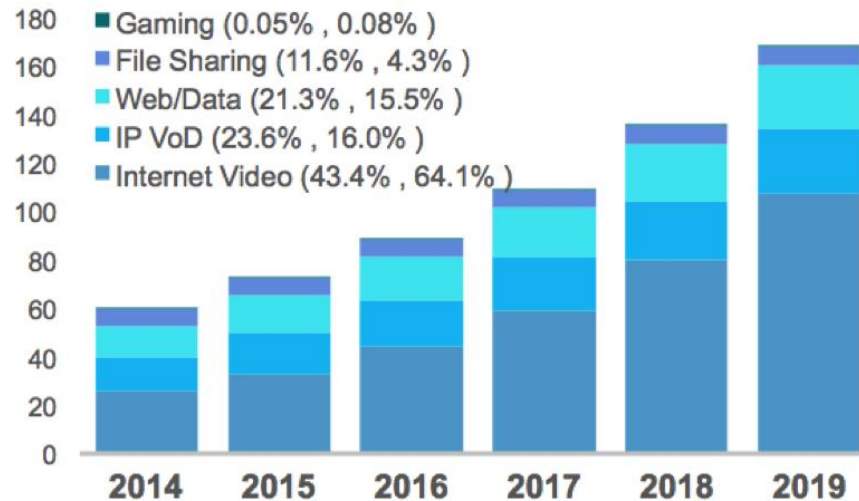
# What's happening globally?

## Global IP Video Traffic Growth

IP Video Will Account for 80% of Global IP Traffic by 2019

Chart Area

Exabytes per Month



\* Figures (n) refer to 2014, 2019 traffic shares

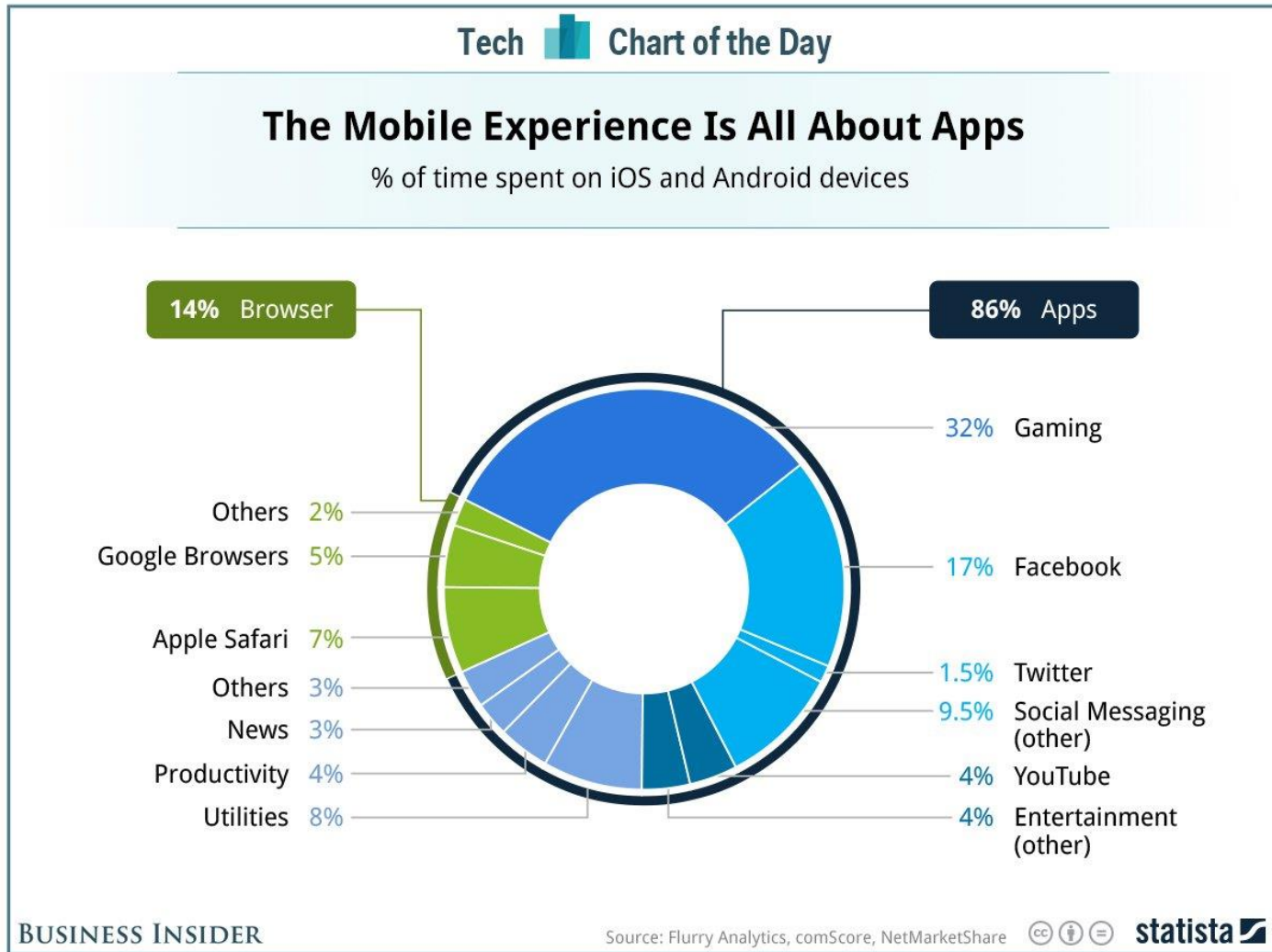
Source: Cisco VNI Global IP Traffic Forecast, 2014–2019

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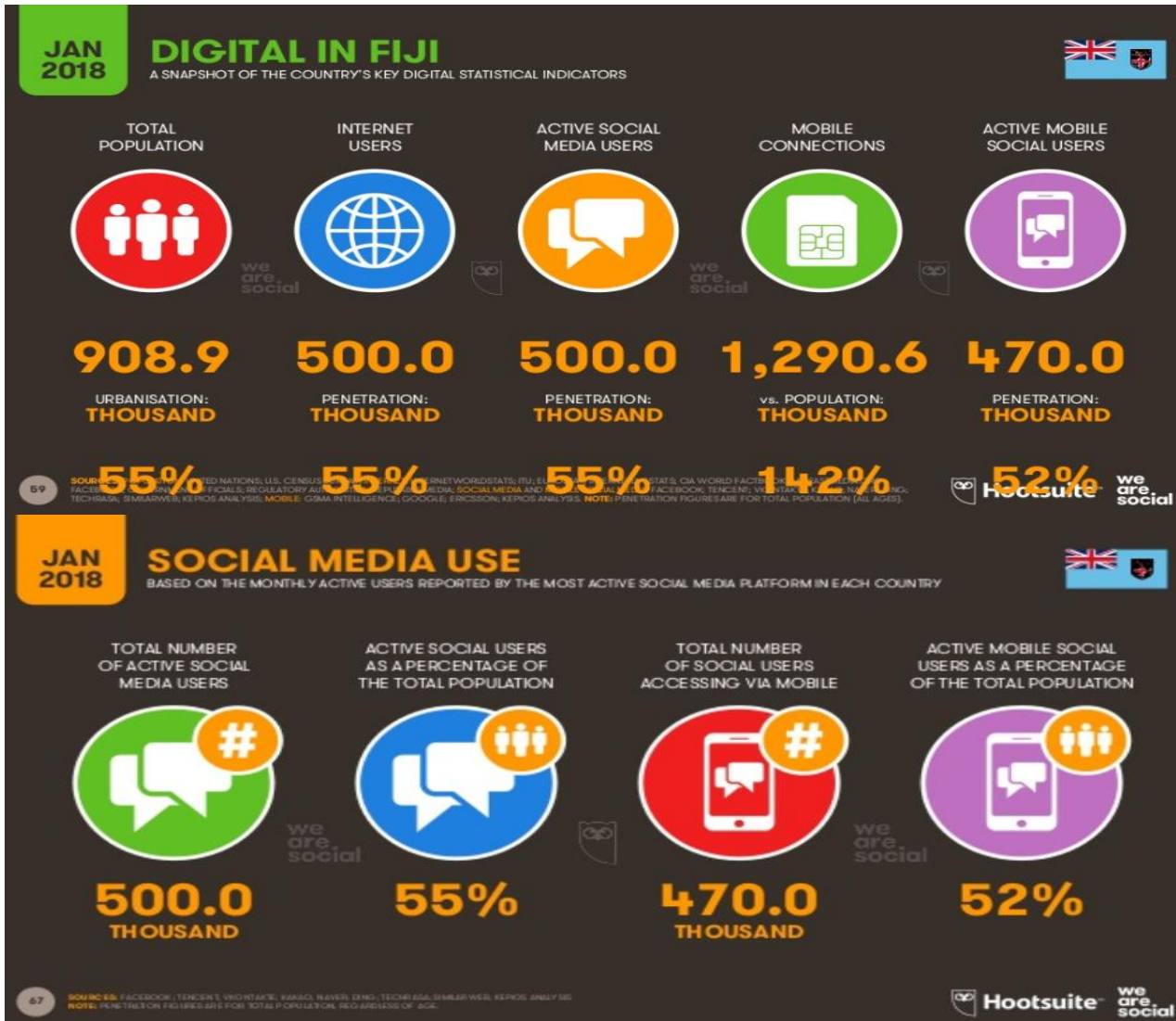
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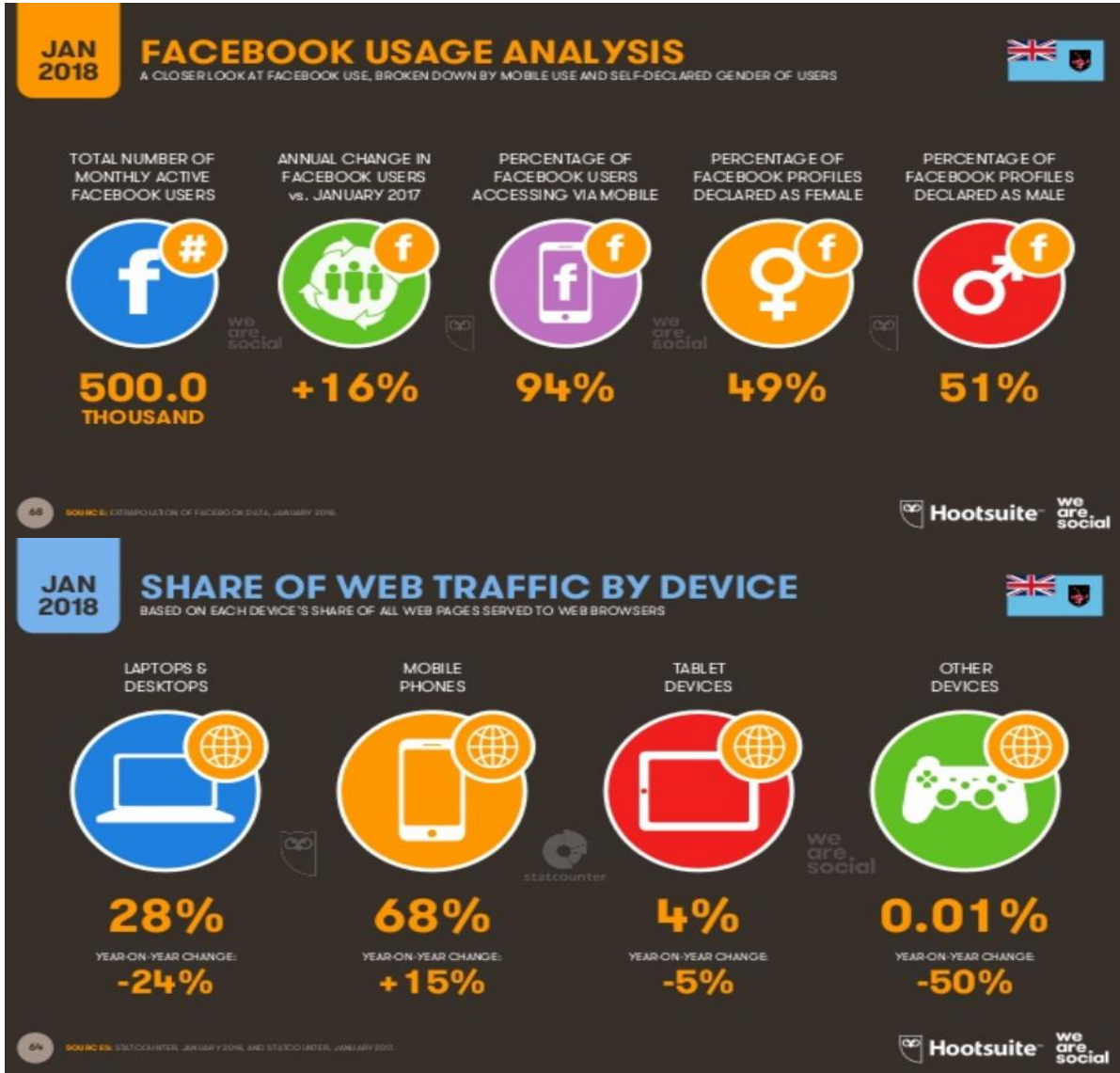


# What people do on their mobiles?



# What's happening in Fiji!







# Innovation in Cashless Transaction (Transportation)

## Problem

1. No transparency between government and the bus companies.
2. Minimize cash handling and paperwork
3. Insecure payment and delivery. Loss of cash and theft.
4. Public inconvenience
5. Driver as a middleman. No transparency between the driver and the bus company

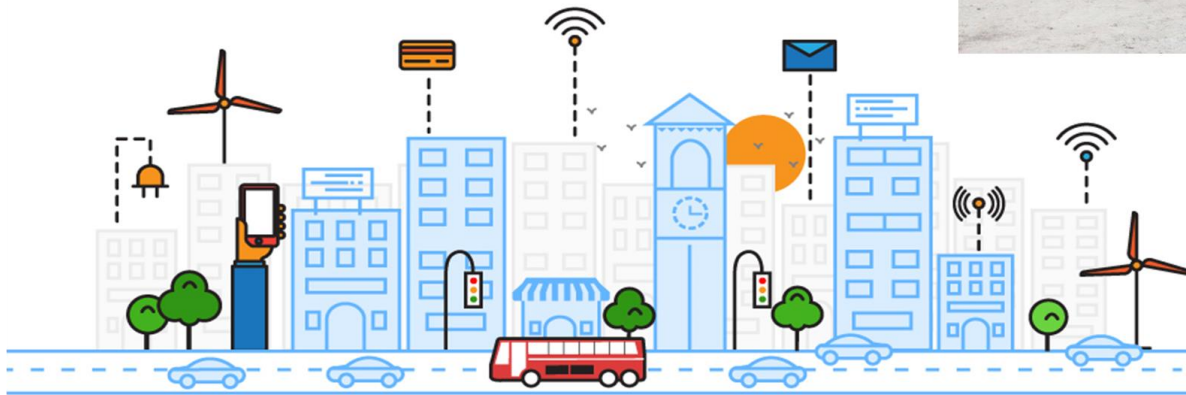
## Solution

Electronic based payment system which addresses all the problems



# What's next – the move towards E-transport

- 1613 buses currently operating on e-ticketing system
- More than 700k customers registered
- More than 450k customers commuting daily
- More than 15 million transactions processed so far
- More than 2.2M bus upload connections processed
- More than \$12M worth of e-transport top-ups done



# Benefits to Transport Operators

- Increased security against fraud and reduced revenue loss
- Reliability and end user customer satisfaction leading to reduced number of claims and related costs
- Increased revenue through new service offerings and multi-services
- Lower maintenance costs compared to systems using magnetic tickets
- Operational efficiency and lower costs through improved service planning and maintenance
- Route planning, bus capacity planning for a particular route – no longer need to send a bigger bus to smaller route regions



# Benefits to customers

- Better customer experience with:
- convenience and ease of use
- new payment options
- multi-services
- reliability and durability of fare media
- fast transactions and less queuing at gates
- Better security – no need to carry cash



# What's next for the region?

## Some quick wins!

- Leverage existing Vodafone's e-ticketing system for other countries
- Don't have to re-invent the wheel
- Capex and Opex savings through applying learnings from the region
- Work on a one common goal-sharing knowledge base for the entire pacific region
- Work on a hosted/cloud model for easier and faster service delivery
- Cost effective model for easier business case
- Working with a proven brand/partner in the region





**Vinaka !**

